

AMENDED IN ASSEMBLY APRIL 28, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL

No. 1749

Introduced by Committee on Budget (Oropeza (Chair), Bermudez, Chan, Chu, Diaz, Dutra, Dymally, Goldberg, Hancock, Jackson, Liu, Montanez, Nakano, Pavley, Reyes, Simitian, and Wolk)

March 11, 2003

~~An act relating to the Budget Act of 2003.~~ *An act to amend Sections 17584 and 44735 of, and to add Sections 2558.46, 17070.76, 42238.146, 44399.5, 44518, and 69999.5 to, the Education Code, relating to schools, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.*

LEGISLATIVE COUNSEL'S DIGEST

AB 1749, as amended, Committee on Budget. ~~Budget Act of 2003~~
Education finance.

(1) *Existing law provides a deficit factor for the revenue limit of a county superintendent of schools and for the revenue limit of a school district.*

This bill would provide that the revenue limit for the 2003–04 fiscal year for each county superintendent of schools and school district shall be reduced by a 1.55% deficit factor.

(2) *Existing law requires the State Allocation Board to require a school district to make all necessary repairs, renewals, and replacements to ensure that a school facilities construction project funded under the Leroy F. Greene School Facilities Act of 1998 is at all times kept in good repair, working order, and condition. Existing law*

requires all costs incurred for those purposes to be borne by the school district.

Existing law requires the board to ensure compliance with that requirement by requiring an applicant school district to establish an account and agree to deposit into the account, in each fiscal year for 20 years after receipt of funds under the act, a minimum amount equal to or greater than 3% of the applicant school district's total general fund expenditures, including other financing uses, for that fiscal year, prior to the approval of a project.

This bill would, for the 2003–04 fiscal year only, decrease the minimum amount to 2.5% of the applicant school district's total general fund expenditures.

(3) Existing law authorizes a school district to establish a restricted fund known as the "district deferred maintenance account" for the purpose of major repair or replacement of school facilities systems. Existing law requires the State Allocation Board to allocate, within prescribed limits, matching state funding from the State School Deferred Maintenance Fund to applicant school districts for this purpose.

Existing law establishes the Class Size Reduction Program in which participating school districts are provided funding for each class in which the class size is reduced to a ratio of 20 pupils to 1 teacher in kindergarten and any of grades 1 to 3, inclusive.

This bill would make those provisions inoperative for the 2003–04 fiscal year and require a school district to give first priority for use of moneys that a school district would have deposited in the deferred maintenance account to supplement state funds allocated to support class size reduction programs.

(4) Existing law establishes, until July 1, 2006, the Principal Training Program, to award incentive funding to provide schoolsite administrators with instruction and training.

Existing law establishes the Teaching As A Priority Block Grant administered by the State Department of Education under which block grants are awarded to school districts to provide incentives to attract credentialed teachers to be employed and retained in low-performing schools.

Existing law establishes the National Board for Professional Teaching Standards Certification Incentive Program to provide one-time merit awards to teachers who are employed by school districts or charter schools, are assigned to teach in the public schools, and have



attained certification from the National Board for Professional Teaching Standards.

This bill would make those provisions inoperative for the 2003–04 fiscal year.

(5) Existing law establishes the Governor’s Scholars Program under which a pupil may receive a scholarship award for attaining a high score, as specified, on the reading and mathematics portions of the statewide achievement test. Existing law also establishes the Governor’s Distinguished Mathematics and Science Scholars Program under which a pupil may receive a scholarship award for demonstrating specified high academic achievement in mathematics and science.

This bill would provide that no award is to be made, nor is there any entitlement to an award, based on a test taken in 2003.

(6) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Existing law establishes statutory procedures for making that reimbursement, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed \$1,000,000 statewide and other procedures for claims whose statewide costs exceed \$1,000,000.

This bill would provide that reimbursement for state-mandated costs payable in the 2003–04 fiscal year shall, instead, be paid in the 2004–05 fiscal year.

(7) Existing law contains provisions establishing programs that award funding for various educational purposes, and provide that those awards are periodically adjusted to compensate for changes in the cost-of-living.

This bill would prohibit the Budget Act of 2003 from providing for any cost-of-living adjustments for those programs.

(8) Existing law establishes the 1998 State School Facilities Fund in the State Treasury and requires the State Allocation Board to make available from those funds to the Director of General Services the amount the board determines necessary for the Department of General Services to provide assistance to facilitate the construction, modernization, reconstruction, or alteration of, or addition to, school buildings.

This bill would appropriate \$1,700,000 from the 1998 State School Facilities Fund to the Director of General Services to pay attorney’s fees in the settlement claim of Godinez v. Davis.



(9) *The bill would declare that it is to take effect immediately as an urgency statute.*

~~This bill would express the intent of the Legislature to enact statutory changes relating to the Budget Act of 2003.~~

Vote: ~~majority~~ $\frac{2}{3}$. Appropriation: ~~no~~ yes. Fiscal committee: ~~no~~ yes. State-mandated local program: no.

The people of the State of California do enact as follows:

~~SECTION 1. It is the intent of the Legislature to enact~~

SECTION 1. Section 2558.46 is added to the Education Code, to read:

2558.46. (a) For the 2003–04 fiscal year, the revenue limit for each county superintendent of schools determined pursuant to this article shall be reduced by a 1.55 percent deficit factor.

(b) In computing the revenue limit for each county superintendent of schools for the 2004–05 fiscal year pursuant to this article, the revenue limit shall be determined as if the revenue limit for that county superintendent of schools had been determined for the 2003–04 fiscal year without being reduced by the deficit factor specified in this section.

SEC. 2. Section 17070.76 is added to the Education Code, to read:

17070.76. Notwithstanding Section 17070.75, for the 2003–04 fiscal year, the board shall only require a school district to deposit into the account established pursuant to paragraph (1) of subdivision (b) of Section 17070.75 an amount equal to $2\frac{1}{2}$ percent of the total expenditures by a district from its general fund for the 2003–04 fiscal year.

SEC. 3. Section 17584 of the Education Code is amended to read:

17584. (a) The State Allocation Board shall apportion, from the State School Deferred Maintenance Fund, to school districts an amount equal to one dollar (\$1) for each one dollar (\$1) of local funds up to a maximum of $\frac{1}{2}$ percent of the district's second prior fiscal year revenue limit average daily attendance multiplied by the average, per unit of second prior fiscal year average daily attendance, of the total expenditures and ending fund balances of the total general funds and adult education funds for districts of similar size and type, as defined in subdivision (b) of Section

1 42238.4, for the second prior fiscal year, exclusive of any amounts
2 expended for capital outlay, debt service, or revenues that are
3 passed through to other local education agencies, to the extent of
4 funds available.

5 (b) In order to be eligible to receive state aid pursuant to
6 subdivision (a), no district shall be required to budget from local
7 district funds an amount greater than $\frac{1}{2}$ percent of the district's
8 second prior fiscal year revenue limit average daily attendance,
9 multiplied by the average, per unit of second prior fiscal year
10 average daily attendance, of the total expenditures and ending fund
11 balances of the total general funds and adult education funds for
12 districts of similar size and type, as defined in subdivision (b) of
13 Section 42238.4 for the second prior fiscal year, exclusive of any
14 amounts expended for capital outlay, debt service, or revenues that
15 are passed through to other local educational agencies.

16 (c) The apportionment of funds specified in subdivision (a)
17 shall be made by the State Allocation Board after December 1 of
18 each fiscal year.

19 (d) *An apportionment of state funds shall not be made pursuant*
20 *to this section to a school district based on its deposit, between the*
21 *effective date of this act and June 30, 2004, of local funds into its*
22 *district deferred maintenance fund.*

23 SEC. 4. Section 42238.146 is added to the Education Code,
24 to read:

25 42238.146. (a) *For the 2003–04 fiscal year, the revenue limit*
26 *for each school district determined pursuant to this article shall be*
27 *reduced by a 1.55 percent deficit factor.*

28 (b) *In computing the revenue limit for each school district for*
29 *the 2004–05 fiscal year pursuant to this article, the revenue limit*
30 *shall be determined as if the revenue limit for that school district*
31 *had been determined for the 2003–04 fiscal year without being*
32 *reduced by the deficit factor specified in this section.*

33 SEC. 5. Section 44399.5 is added to the Education Code, to
34 read:

35 44399.5. *This article shall not be operative for the 2003–04*
36 *fiscal year.*

37 SEC. 6. Section 44518 is added to the Education Code, to
38 read:

39 44518. *This article shall not be operative for the 2003–04*
40 *fiscal year.*

1 *SEC. 7. Section 44735 of the Education Code is amended to*
2 *read:*

3 44735. (a) The Teaching As A Priority Block Grant is hereby
4 created to be administered by the State Department of Education
5 with the approval of the State Board of Education. The State
6 Department of Education shall award block grants to school
7 districts on a competitive basis to provide incentives to attract
8 credentialed teachers to be employed and retained in
9 low-performing schools.

10 (b) (1) To be eligible to receive a full block grant in the third
11 year of participation, a school district shall demonstrate a net
12 decrease in the number of teachers holding an emergency permit
13 or waiver at each school ranked in the bottom half of the academic
14 performance index pursuant to Article 2 (commencing with
15 Section 52051) of Chapter 6.1.

16 (2) After two years of receiving a block grant, a school district
17 that fails to demonstrate a net decrease in the number of teachers
18 holding an emergency permit or waiver at any of its schools ranked
19 in the bottom half of the academic performance index shall have
20 the amount of the school's block grant reduced by the amount of
21 funds generated by pupils enrolled in that school.

22 (3) For purposes of this subdivision, "net decrease" shall be
23 determined by comparing the number of teachers employed who
24 hold an emergency permit or waiver at the end of the second year
25 of implementation to the number of teachers employed who held
26 an emergency permit or waiver prior to the implementation of the
27 block grant.

28 (4) This subdivision does not apply to any school district with
29 fewer than 2,501 units of average daily attendance that is in a
30 county that is within the fourth through eighth class as defined in
31 Section 1205.

32 (5) This subdivision is applicable only when stable funding for
33 the Teaching As A Priority Block Grant program is provided in the
34 annual Budget Act. For purposes of this subdivision, stable
35 funding means no more than a 5 percent variation in funding from
36 one fiscal year to the next.

37 (c) (1) Block grant funds may be used at the discretion of a
38 school district for teacher recruitment and retention incentives
39 with the target of reducing the number of teachers on emergency
40 permits. Incentives shall only be used to hire and retain

1 credentialed teachers. Teacher recruitment and retention
2 incentives may include, but are not limited to, all of the following:

- 3 (A) Signing bonuses.
- 4 (B) Improved work conditions.
- 5 (C) Teacher compensation.
- 6 (D) Housing subsidies.

7 (2) A school district receiving block grant funds pursuant to
8 this section may offer incentives to recruit and retain credentialed
9 teachers interested in attaining certification pursuant to Section
10 44253.3 or 44253.4. Those incentives may include, but are not
11 limited to, both of the following:

12 (A) Reimbursements to cover the costs of examinations
13 necessary to attain certification pursuant to Sections 44253.3 and
14 44253.4.

15 (B) Reimbursements to cover the costs of coursework
16 necessary for preparation programs offering emphasis in
17 certification pursuant to Sections 44253.3 and 44253.4.

18 (d) Funding shall be allocated to school districts on a per pupil
19 basis for pupils enrolled in schools ranked in the bottom half of the
20 academic performance index pursuant to Article 2 (commencing
21 with Section 52051) of Chapter 6.1. Within the bottom half of the
22 academic performance index, schools ranked in deciles 1, 2, and
23 3 shall receive 1½ times the funding per pupil of schools ranked
24 in deciles 4 and 5. No less than the amount of funding generated
25 by pupils in schools ranked in deciles 1, 2, and 3 shall be expended
26 in those schools.

27 (e) School districts shall apply to the State Department of
28 Education on behalf of their schools. The district application shall
29 contain information that is specific to each school. Applications
30 shall contain baseline information on the number of teachers with
31 waivers or emergency permits at each school in accordance with
32 subdivision (c).

33 (f) School districts that participate in the program established
34 in this section shall be encouraged to participate in regional teacher
35 recruitment centers operated by consortia pursuant to Section
36 44751.

37 (g) Funds appropriated for the purposes of this chapter shall
38 supplement, and not supplant, existing efforts to recruit and retain
39 fully credentialed teachers in the school district.

(h) The State Board of Education shall submit an evaluation of the program created by this chapter to the Legislature by January 1, 2004.

(i) *This section shall not be operative for the 2003–04 fiscal year.*

SEC. 8. *Section 69999.5 is added to the Education Code, to read:*

69999.5. *No award may be made pursuant to this article based on a test taken in 2003. A pupil is not entitled to an award pursuant to this article based on a test taken in 2003.*

SEC. 9. *Notwithstanding any other provision of law, with respect to funds that would otherwise have been deposited in a school district's deferred maintenance fund as a local contribution pursuant to Section 17584 of the Education Code for the 2003–04 fiscal year, the governing board of a school district shall give first priority for use of those funds to supplementing, as necessary, state funding for the Class Size Reduction Program established by Chapter 6.10 (commencing with Section 52120) of Part 28 of the Education Code, to avoid the reduction or elimination of that program.*

SEC. 10. *Notwithstanding any other provision of law, reimbursements to local educational agencies for the costs of state-mandated local programs that are payable in the 2003–04 fiscal year shall, instead, be paid in the 2004–05 fiscal year.*

SEC. 11. *No funding shall be provided in the Budget Act of 2003 for cost-of-living adjustments for any elementary or secondary educational programs.*

SEC. 12. *Pursuant to Section 17070.65 of the Education Code, the sum of one million seven hundred thousand dollars (\$1,700,000) is hereby appropriated from the 1998 State School Facilities Fund to the Director of General Services for allocation to pay the attorneys' fees in the settlement claim of Godinez v. Davis, Los Angeles County, Superior Court, Case No. BC227352.*

SEC. 13. *This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:*

In order to make necessary statutory changes to address the state budget crisis, it is necessary for this act to take effect immediately.

1 ~~statutory changes relating to the Budget Act of 2003.~~

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